

# **PROJECT STATUS REPORT**

**To the Del Norte Local  
Transportation Commission**

**for the**

## **DN 197/199 SAFE STAA ACCESS PROJECTS**

**Including EAs 01-48110, 01-45490, 01-47940, 01-4500U**

**JULY, 2014**

**reporting progress through June, 2014**



## I. INTRODUCTION

This report, submitted to the Del Norte Local Transportation Commission (DN LTC), provides updates to the DN LTC as requested regarding progress toward the delivery of the projects to construction completion. Caltrans Management and the DN LTC agreed upon delivery of this report as a means to provide the DN LTC, a major project stakeholder, with evidence of progress in the project development process.

A preliminary injunction was granted in federal court on May 2, 2014 affecting all four of the STAA projects. The Project Team is currently engaged with National Marine Fisheries reopening consultation under the Endangered Species Act. The Caltrans Legal Team is working with the plaintiffs and the Federal Court on addressing the courts concerns. The following is a list of impacts so far:

- Patrick Creek
  - All construction progress halted
  - \$3.3 million Notice of Potential Claim received from the contractor due to the injunction (based on one year of delay.)
- Ruby 1
  - All bids rejected and the funding lost for the current fiscal year.
- Ruby 2
  - Project delayed and permits applications on hold.
- Washington Narrows
  - Project delayed and permits applications on hold.
- All Projects
  - Significant increase in support costs
  - Significant increases in capital costs

## II. MAJOR MILESTONES

<b>MAJOR MILESTONE</b>	<b>DATE (Bold = complete)</b>
<i>Circulate Draft Environmental Document</i>	<b>6/28/10</b>
<i>Project Approval &amp; Environmental Document (PA &amp; ED)</i>	<b>4/11/13</b>
<i>Plans, Specifications &amp; Estimate (PS&amp;E)</i> a. Ruby 1 b. Ruby 2 c. Washington Narrows d. Patrick Creek	<b>2/14/14</b> 9/1/14 7/11/14 <b>4/15/13</b>
<i>Ready to List (Complete Set of Plans, Spec's Permits &amp; R/W clearance)</i> a. Ruby 1 b. Ruby 2 c. Washington Narrows d. Patrick Creek	<b>2/28/14*</b> Unknown-Injunction Unknown-Injunction <b>6/25/13*</b>
<i>Begin Construction</i> a. Ruby 1 b. Ruby 2 c. Washington Narrows d. Patrick Creek	Unknown – pending resolution of litigation
<i>Complete Construction</i> a. Ruby 1 b. Ruby 2 c. Washington Narrows d. Patrick Creek	Unknown – pending resolution of litigation

\* Will likely have to be redone due to injunction.

## III. COST

- Sunk costs
  - Patrick Creek - \$4.5 million
  - Ruby 1, Ruby 2 and Washington Narrows - \$4.9 million
  - Total - \$9.4 million
- Estimated Contract Termination costs
  - Patrick Creek – estimated to be as high as \$3 million based on historic information and the contractors estimate. We believe that it could be quite a bit lower but are using the more conservative numbers for planning purposes.
- Estimated cost escalation due to injunction (based on 2 year delay in start of construction and a ~10% increase in bid prices)
  - Patrick Creek ~\$1.5 million (total construction capital need ~\$17 million)
  - Ruby 1, Ruby 2 & Washington Narrows ~\$0.9 million
- Estimated cost to re-advertise, bid and award construction contracts (assumes no changes to design or specifications.)
  - Patrick Creek - \$300K
  - Ruby 1 - \$20K

#### IV. CURRENT TASKS

Following is a list of current tasks that are being worked on

- Obtain written concurrence on funding strategy from CTC staff for the Patrick Creek project.
- Terminate current Patrick Creek construction contract (likely but not certain.)
- Continue with Endangered Species Act reconsultation
- CEQA litigation
- NEPA litigation

#### V. RISKS

The following potential risks to project schedule or requirements, either during the environmental process or project implementation, have been identified:

- Lawsuit filed by project opponents is resolved in plaintiffs favor.
- Delays cause increases in capital and support costs requiring CTC action (near certain.)
- Delays cause loss of project funding (based on 6/6/14 meeting with CTC staff, not likely.)
- Injunction and/or Delay require permit amendments.
- Lawsuit requires recirculation of the Environmental Documents.